

Senate Study Bill 1341

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to certain tax incentives by requiring data
2 collection, modifying requirements for city and county
3 budgets, and creating a reporting committee.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1342XC 82
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1 1 Section 1. Section 15.335, Code 2007, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 6. The department of revenue shall
1 4 develop a system for collecting data related to tax credits of
1 5 five thousand dollars or more claimed pursuant to this
1 6 section. The data collected shall include the name of the
1 7 taxpayer claiming the credit, the amount of the tax credit
1 8 claimed, the research activities for which the tax credit is
1 9 based, and any new jobs created or capital expenditures made
1 10 as a result of the research activities for which a tax credit
1 11 is claimed.

1 12 Sec. 2. Section 331.434, subsection 1, Code 2007, is
1 13 amended to read as follows:

1 14 1. The budget shall show the amount required for each
1 15 class of proposed expenditures, a comparison of the amounts
1 16 proposed to be expended with the amounts expended for like
1 17 purposes for the two preceding years, the revenues from
1 18 sources other than property taxation, a tax increment
1 19 financing budget including information required under section
1 20 384.16 for each urban renewal area established by the county,
1 21 and the amount to be raised by property taxation, in the
1 22 detail and form prescribed by the director of the department
1 23 of management.

1 24 Sec. 3. Section 384.16, subsection 1, Code 2007, is
1 25 amended by adding the following new paragraph:

1 26 NEW PARAGRAPH. d. A tax increment financing budget for
1 27 each urban renewal area established by the city.

1 28 Sec. 4. Section 384.16, subsection 1, unnumbered paragraph
1 29 2, Code 2007, is amended to read as follows:

1 30 A budget must show comparisons between the estimated
1 31 expenditures in each program in the following year, the latest
1 32 estimated expenditures in each program in the current year,
1 33 and the actual expenditures in each program from the annual
1 34 report as provided in section 384.22, or as corrected by a
1 35 subsequent audit report. Wherever practicable, as provided in
2 1 rules of the committee, a budget, including the tax increment
2 2 financing budget, must show comparisons between the levels of
2 3 service provided by each program as estimated for the
2 4 following year, and actual levels of service provided by each
2 5 program during the two preceding years. Wherever practicable,
2 6 the tax increment financing budget shall include estimated and
2 7 actual tax increment financing revenues and all estimated and
2 8 actual expenditures of the revenues, proceeds from debt and
2 9 all estimated and actual expenditures of the debt proceeds,
2 10 and identification of any entity receiving a direct rebate of
2 11 taxes funded by tax increment financing revenues.

2 12 Sec. 5. INDUSTRIAL NEW JOBS TRAINING TAX INCENTIVES
2 13 REPORTING COMMITTEE. An industrial new jobs training tax
2 14 incentives reporting committee shall be formed consisting of
2 15 two representatives of the department of economic development,
2 16 two representatives of community colleges, and two
2 17 representatives of the department of revenue. One of the

2 18 representatives of the department of revenue shall serve as
2 19 the chairperson of the committee. The committee shall study
2 20 the reporting of information related to tax incentives
2 21 received pursuant to chapter 260E. By December 31, 2007, the
2 22 committee shall submit a written report to the general
2 23 assembly which shall include but not be limited to a proposed
2 24 system for collecting data for tax incentives received
2 25 pursuant to chapter 260E. The system shall collect data
2 26 including but not limited to the recipient of tax incentives
2 27 and the aggregate amount of tax incentives received under an
2 28 agreement pursuant to chapter 260E.

2 29 EXPLANATION

2 30 This bill relates to certain tax incentives by requiring
2 31 data collection modifying requirements for city and county
2 32 budgets, and creating a reporting committee.

2 33 Currently, a research activities tax credit is allowed
2 34 under the high quality job creation program. The bill
2 35 requires the department of revenue to develop a system for
3 1 collecting data related to tax credits of \$5,000 or more
3 2 claimed under the program.

3 3 The bill requires cities and counties to include as part of
3 4 their annual budgeting procedure a tax increment financing
3 5 budget. The bill provides that the tax increment financing
3 6 budget, wherever practicable, shall include estimated and
3 7 actual tax increment financing revenues and all estimated and
3 8 actual expenditures of the revenues, proceeds from debt and
3 9 all of the expenditure of debt proceeds, and identification of
3 10 any entity receiving a direct tax increment financing rebate
3 11 of taxes. The bill requires the tax increment financing
3 12 budget, wherever practicable to show comparisons between the
3 13 levels of service provided by each program as estimated for
3 14 the following year, and actual levels of service provided by
3 15 each program during the two preceding years.

3 16 The bill requires an industrial new jobs training tax
3 17 incentives reporting committee to be formed consisting of two
3 18 representatives of the department of economic development, two
3 19 representatives of community colleges, and two representatives
3 20 of the department of revenue. The bill requires the committee
3 21 to study the reporting of information related to tax
3 22 incentives received pursuant to Code chapter 260E. By
3 23 December 31, 2007, the bill requires the committee to submit a
3 24 written report to the general assembly which shall include but
3 25 not be limited to a proposed system for collecting data for
3 26 tax incentives received pursuant to Code chapter 260E.

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